

EXHIBIT 1

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1 convert its revenues into cash. The motto is "cash is king,"
2 and companies that have a high margin tend to generate or
3 should generate more of their revenues or turn that into cash,
4 so cash can be used for reinvestment, so it's a positive for a
5 company.

6 **Q.** If we can please look at the next page up at the top.

7 And I draw your attention to question 4 or item 4 where it
8 says, "when sales are not converted to cash/barter deals." Do
9 you see that?

10 **A.** Yes, I do.

11 **Q.** What is a barter deal?

12 **A.** A barter deal tends to be a deal between two
13 counterparties in the software industry. It could be, you
14 know, effectively the swapping of products. So both would
15 recognize revenues or potentially recognize revenues, but there
16 wouldn't necessarily be any cash flow between them. Like a
17 swap deal. Like a swap deal.

18 **Q.** And as an analyst, what type of concern does a barter deal
19 raise?

20 **A.** It's not necessarily a true reflection of the performance
21 of the business.

22 **Q.** What do you mean by that?

23 **A.** Most analysts wouldn't consider it as -- as bona fide
24 revenues.

25 **Q.** Why?

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1 **A.** Because somebody didn't buy anything.

2 **Q.** And the bullet -- the line here "when sales are not
3 converted to cash/barter deals," what did you understand the
4 concern Mr. Moreland and Astaire to be raising and that you
5 were trying to respond to with Mr. Hussain?

6 **MS. LITTLE:** Objection as to Mr. Moreland's state of
7 mind.

8 **THE COURT:** Overruled. It's directed to this witness'
9 understanding of Mr. Moreland's state of mind.

10 **THE WITNESS:** So, I mean, Paul Moreland was looking
11 for reasons why cash conversion was not what it should have
12 been. And one of the questions he was raising was whether
13 barter deals were something that Autonomy was undertaking.

14 **BY MR. LEACH:**

15 **Q.** And in italics below, could you please read the -- that
16 italicized portion for us?

17 **A.** "Autonomy does not undertake barter deals. Similarly, we
18 do not revalue existing debtors on acquisition to increase the
19 deferred income balances. The complaint from many analysts is
20 that deferred is too low post acquisition, not too high."

21 **Q.** What were you saying there?

22 **A.** What I was saying was that Autonomy doesn't do barter
23 deals, so it shouldn't be a concern.

24 Also, there is a statement here relating to effectively
25 debtors, which is another concern that sometimes analysts have,

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1 which is, you know, where you've basically sold a license but
2 haven't been paid by the customer.

3 After a certain period of time, you should write down that
4 deal and basically redo your financial statements, potentially.

5 **Q.** Let me draw your attention to the next exhibit, please,
6 Exhibit 2763.

7 Do you recognize this document?

8 **A.** I do, yes.

9 **Q.** Is this a true and correct copy of an email you received
10 with a draft PowerPoint relating to Autonomy's earnings
11 announcement for the second quarter of 2009?

12 **A.** I believe so.

13 **THE COURT:** Admitted.

14 (Trial Exhibit 2763 received in evidence)

15 **BY MR. LEACH:**

16 **Q.** Let me draw your attention, Mr. Geall, to the top portion
17 of the email.

18 There is some individuals listed there, one of whom is
19 Edward Bridges. Who is he?

20 **A.** Edward Bridges was the managing director at a company
21 called Financial Dynamics. Financial Dynamics was an advisory
22 firm that Autonomy used for corporate communications.

23 **Q.** What is Financial Dynamics?

24 **A.** It's a company that was in the UK, based in the UK that
25 provided corporate communications advisory for publicly listed

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1 companies.

2 Q. Who is Peter Goodman?

3 A. Peter Goodman was an employee of Autonomy. He worked for
4 me in investor relations.

5 Q. What is Mr. Goodman circulating to you and others at
6 Autonomy here?

7 A. This would have been a draft for the presentation that we
8 would have used for the quarterly results, in this case the
9 second quarter of 2009.

10 Q. Was it common practice for -- during your tenure at
11 Autonomy, to prepare a PowerPoint for investors, along with the
12 press release that Autonomy issued?

13 A. Yes.

14 Q. And did you have a hand in drafting those when you were in
15 investor relations?

16 A. Yes.

17 Q. Who else was involved in that?

18 A. So, I mean, these took a similar format each quarter.
19 They would normally be started by Peter Goodman, who would do
20 the bulk of the work, and then there would have been
21 contributions potentially from the marketing team if it related
22 to customer references, from Steve Chamberlain and Sushovan as
23 it related to the financial characteristics and financial
24 performance of the business, potentially some commentary from
25 Mike Lynch relating to the strategy and direction of the

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1 business.

2 Q. Let me please draw your attention to the back half of this
3 PowerPoint, page 24 of the exhibit.

4 The title of this slide is "answer to questions received."
5 Do you see that?

6 A. I do, yes.

7 Q. What is this portion of the PowerPoint?

8 A. So this -- this was part of an appendix. The appendix
9 wouldn't necessarily have been presented as part of the formal
10 presentation, but was there for reference for investors and for
11 analysts so that they had additional information where
12 required.

13 Q. And the questions received, what are the questions
14 received? What do those relate to?

15 A. So what Autonomy had started to do during this time period
16 was to publish questions and answers. So where there were
17 questions coming from the financial community, from investors
18 or analysts, whether positive or negative, these would be
19 published to the -- to an investor bulletin board where
20 Autonomy would answer questions so that they were there and
21 transparent for all investors to go and look at and compare.

22 Q. Who had responsibility for the investor bulletin board?

23 A. The responsibility was ultimately with myself in investor
24 relations.

25 Q. For finance questions, would anybody within Autonomy

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1 review those questions and answers before they were posted?

2 **A.** Yes. It was common practice that, you know, all questions
3 were reviewed normally by Steve Chamberlain and Sushovan from a
4 financial perspective, and from Mike for an operational
5 strategy perspective.

6 **Q.** On this slide down at the bottom, one of the questions is
7 "Do you do barter deals? If so, could you quantify them." Do
8 you see that?

9 **A.** I do, yes.

10 **Q.** And what is the answer on this slide?

11 **A.** No, we do not do barter deals.

12 **Q.** Where did you get that information?

13 **A.** This information I would have discussed with -- with
14 Sushovan and Steve Chamberlain.

15 **Q.** You testified earlier, Mr. Geall, in road shows -- in road
16 shows you would talk about Autonomy's equity story. Do you
17 recall that testimony?

18 **A.** I do.

19 **Q.** What do you mean by equity story?

20 **A.** It was -- I would say -- or it is good practice for a
21 company to understand how it differentiates itself in the
22 market, what are the growth drivers, why is it different to
23 other companies. Any investor could be faced with thousands of
24 potential companies that they can invest in. So building a
25 very clear, concise, easy to understand equity story enables